

**ROBERT W. CONNER  
CLERK OF THE CIRCUIT COURT  
FOR THE  
COUNTY OF HALIFAX**

**REPORT ON AUDIT  
FOR THE PERIOD  
JANUARY 1, 2009 THROUGH MARCH 31, 2010**



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# Commonwealth of Virginia

Auditor of Public Accounts  
P.O. Box 1295  
Richmond, Virginia 23218

**Walter J. Kucharski, Auditor**

April 22, 2010

The Honorable Robert W. Conner  
Clerk of the Circuit Court  
County of Halifax

Board of Supervisors  
County of Halifax

Audit Period: January 1, 2009 through March 31, 2010  
Court System: County of Halifax

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court for this Court System and for the period noted above. Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies.

## Management's Responsibility

Court management has responsibility for establishing and maintaining internal controls and complying with applicable laws and regulations. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Deficiencies in internal controls could possibly lead to the loss of revenues or assets, or otherwise compromise fiscal accountability.

We noted a matter involving internal control and its operation necessary to bring to management's attention. The matter is discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate this matter provided by the Clerk are included as an enclosure to this report.

We discussed this comment with the Clerk and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK: clj

cc: The Honorable Richard S. Blanton, Chief Judge  
George Nester, County Administrator  
Robyn M. de Socio, Executive Secretary  
Compensation Board  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia  
Director, Admin and Public Records  
Department of Accounts

## COMMENTS TO MANAGEMENT

We noted the following matter involving internal control and its operation that has led or could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability.

### Properly Manage Copy Fees

The Clerk is not properly distributing copy fees between the locality and the Commonwealth for copies made by a county employee. The customers pay the Clerk's staff for these copies and they issue the customer a manual receipt and do not record these transactions in the court's accounting system. Periodically, the Clerk's staff sends the fees directly to the county treasurer, and during our audit period, these fees totaled \$1,874.

The Clerk should record all fees in the court's automated accounting system and deposit them into an official bank account daily. Further, the Clerk should reimburse the locality for any copy related expenses and transfer any excess fees to the Commonwealth, as set forth in Sections 17.1-271 and 17.1-275A (8) of the Code of Virginia and the Financial Management System User's Guide.

Without properly recording and depositing copy fees, there is a potential loss of revenue to the Commonwealth and locality and an increased risk that the court could lose these funds. The Clerk should request a refund from the locality for any excess copy fees and reimburse the Commonwealth. Further, The Clerk should properly receipt, deposit, and remit all copy fees in accordance with the Code of Virginia.



CLERK'S OFFICE

## Circuit Court of Halifax County

RICHARD S. BLANTON, JUDGE

LESLIE M. OSBORN, JUDGE

JOEL C. CUNNINGHAM, JUDGE

ROBERT W. CONNER, CLERK  
CATHY M. COSBY, DEPUTY  
VICKIE P. SHELTON, DEPUTY  
PEGGY N. HAZELWOOD, DEPUTY

DELMAR W. MARABLE, DEPUTY  
ANN G. COMPTON, DEPUTY  
LAURA E. JONES, DEPUTY

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(434) 476-6211 • FAX (434) 476-2890

May 6, 2010

Mr. Walter J. Kucharski, Auditor  
Auditor of Public Accounts  
P. O. Box 1295  
Richmond, VA 23218-1295

Dear Mr. Kucharski:

Re: Audit for January 1, 2009 to March 31, 2010

The Halifax County Circuit Court disagrees that we have failed to monitor copy fees. Halifax County has all of its early records, and we have a high demand for copies. My staff does not have the time to research and correspond with genealogists from all over the United States.

An agreement was reached 8 to 10 years ago with our County Administrator, the County Treasurer and Bruce Haynes of the Compensation Board that a county employee could charge a search fee of \$5.00 to \$10.00 depending on the time involved along with a standard copy fee. The agreement was as long as the income from search and copy fees was enough to support his \$7.50 per hour wages, he would continue in this position. This has been very successful for researchers. They correspond and drive here from all over the United States to meet with him, discuss our records and obtain copies. The employee is Lawrence Martin, a retired state auditor, who was reared and educated in Halifax County. He is a very valuable research individual.

The Clerk's Office involvement is miniscule in these transactions. Mr. Martin works about 2 days per week. Some travelers arrive to pick up and pay for records that Mr. Martin has researched and copied. We give them a receipt. Most payments are by check and they need to be presented promptly. Therefore, at times, the Clerk's Office will carry these deposits to our Treasurer's Office, along with our daily bank deposit, both of which require us to drive. We do both of these at our lunchtime.

As I stated earlier, this process has worked for 8 or more years. It has never been a problem with any former auditors.

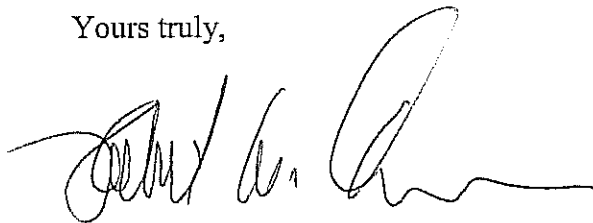
My correction action plan is to require Lawrence Martin, genealogist researcher and county employee, to account for all copies made and receipt them to FMS account code 236. All search and microfilm fees collected by Mr. Martin will be receipted to a FMS account code (to be determined by the Supreme Court) and disbursed to the locality monthly.

Since this is the first finding by an auditor and a large portion of either \$1,291.00 or \$1,874.00, whichever figure you use, is in search fees and not copy fees, I am requesting that we not be required to repay the state. In fact, during these tough economic times, anything we can do to help our localities is a welcome addition.

We had a very clean audit; we always have and hopefully always will. In the past when audit issues have been presented, we have gladly made the suggested changes and we promise to do the same with this situation.

Thank you for your consideration.

Yours truly,

A handwritten signature in black ink, appearing to read 'Robert W. Conner', with a stylized, flowing script.

Robert W. Conner, Clerk

RWC/cmc

cc: Mr. Randy Johnson, Auditor  
2664 Twin Lake Drive  
Bedford, VA 24523